

Marketing Goat Meat: A Persistent Challenge

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Introduction

This year, 1996, marks an important milestone in the development of the meat goat industry in Florida. This is the tenth anniversary of the Florida Meat Goat Association, a group of goat producers dedicated to "promote the goat industry with its various products (meat, skins, milk, cheese, etc.) with a primary interest in the production and marketing of meat." The association has been extremely active in sponsoring educational and promotional programs to benefit producers and processors (Kenyon, 1995). Further, its members have been very supportive of goat research at Florida A&M University and the University of Florida over the past decade.

The purpose of this paper is twofold. The first is to pause for a moment to reflect on the progress that has been made as a result of tireless individual goat producers, members of the Meat Goat Association, and the efforts of researchers and educators at FAMU and U of F over the past 10 years. The second basic purpose is to provide encouragement to Florida goat producers by suggesting a direction for market development activities over the next decade.

A Decade of Progress

Much has been learned about goat husbandry over the past 10 years. Research and demonstration projects have dealt with goat breeds, nutrition, breeding management, facilities and housing, and health practices. Numerous conferences and meetings have been well-attended and many recommended practices adopted by producers. Economic analyses of goat production have given producers insights on the profitability of various production systems (Covington and Simpson, 1995).

In addition, the technical qualities of goat meat produced in Florida were examined. Factual information on the composition and quality of goat meat was developed. This information can be used to substantiate health and nutrition claims in promotional programs (Johnson, 1995).

Marketing has also received considerable attention over the past 10 years. Increased production, primarily from large, progressive goat farms fostered interest in the commercial market. Surveys of livestock auction managers, meat wholesalers, food retailers, and restaurant managers revealed little goat meat was being sold through commercial channels. Furthermore, virtually all goat meat entering commercial channels was originating in states other than Florida (Degner and Locascio, 1988). A survey of food retailers showed that large chainstores were not selling goat meat and

had little interest in it. Smaller chains catering to ethnic populations in south Florida were found to be the most important retail outlets, but they offered little hope for increasing sales (Locascio and Degner, 1988).

Distribution of goat meat through foodservice outlets was found to be very limited, but nearly one-third of the independent restaurant managers surveyed expressed interest in offering it on their menus (Degner, 1990). Thus, restaurants were identified as a potentially viable means of market development. A demonstration project with one restaurant in Gainesville recorded weekly sales ranging from 200 to 250 pounds (carcass weight). However, after the demonstration ended, goat meat was dropped from the menu because of supply problems.

Several consumer research studies were also conducted as part of a market development effort in the late 1980's. Focus group interviews conducted in several large Florida cities found mixed attitudes toward goat meat among consumers. The interviews revealed a number of negative images that could be combated by carefully crafted educational and promotional programs. However, funds have not been available for such programs, so it is doubtful whether much progress has been made in improving the image of goat meat among members of the general population.

On the positive side, an extensive consumer taste test showed that commercially prepared goat barbecue compared very favorably to similarly prepared beef. When given two unidentified barbecued meat samples, one goat, the other beef, 42 percent of 600 respondents preferred the goat, 38 percent preferred the beef, and 20 percent gave the products equal ratings (Degner, 1990). However, few consumers eat unidentified "mystery" meat. In this marketing study involving 600 adults, only 25 percent had eaten goat meat; this unfamiliarity coupled with negative images held by many people would be likely to substantially reduce acceptance of goat meat identified as such.

Future Direction

A goat producer recently remarked "the only ones making money off goats are researchers." While this statement may be true, it should not be taken as an indictment of past goat research and education programs. In fact, the success of these programs may have increased goat numbers and greater production efficiency, resulting in downward pressure on prices. Does this mean that production research should be halted? On the contrary. Producers can still benefit from research which will reduce production costs and im-

prove the quality of the end product. For example, much remains to be done in the areas of selective breeding to improve carcass quality and yield, nutrition, grazing systems and health practices. With respect to marketing, much can be done on the knowledge base that we already have.

Defining The Marketing Problem

From the perspective of goat producers, particularly in times of low and declining prices, it may appear that there is an oversupply of goats. Granted, the law of supply and demand is irrefutable. With a relatively small customer base, increases in localized supplies are likely to drive prices down (Figure 1). Figure 1 also illustrates an important means of alleviating low market prices: an expanded customer base. One way of gaining a broader customer base is to make the product (goat meat) more widely available to consumers, in terms of geographic locations, types of outlets, and product forms.

Examination of typical marketing channels for common meat animals reveals a relatively complex series of marketing channels (Figure 2). Complex marketing channels such as these facilitate the flow of live animals and processed products through the system to ultimate consumers. Under the relatively ideal marketing channels illustrated in Figure 2, producers have multiple buyers for their live animals, generating a more competitive marketing environment. Producers can not only sell directly to consumers, as is the common practice for goat producers in Florida, but they can also sell to dealers or traders, take their animals to local auctions, to large specialized auctions, market through co-ops, or sell directly to processors. Existence of processing plants linked to meat wholesalers and purveyors, restaurants and food retailers completes the link to consumers.

Examination of marketing channels for goats in Florida reveals a much less than ideal system (Figure 3). Solid lines in Figure 3 depict the most important, well-established links between the various components of the marketing channels, and dashed lines show weaker (and perhaps non-existent) relationships. Florida producers' most important sales outlets are for live animals sold directly to individual consumers and to traders, who in turn sell to individual consumers locally or in other parts of the state. Florida producers have practically no local auctions and large specialized auctions are too far away to be economically viable. Florida producers do have a relatively new link in their marketing channel, however, that of "critter" sales. "Critter sales", a term coined by the Division of Animal Industry of the Florida Department of Agriculture and Consumer Services (FDACS) to describe live animal sales held in conjunction with flea markets and other types of community sales. The goat processor, a critical element, is practically non-existent in Florida. Virtually all of the goat meat entering commercial meat marketing channels is shipped into Florida in carcass form from other states, primarily Texas. Thus, Florida goat producers are effectively precluded from participating in the state's distribution network for goat meat.

Why are goat processors scarce or practically nonexistent in Florida? The bottom line is lack of volume. There are too

few goats available on a consistent basis to make it worthwhile for most commercial slaughtering plants to slaughter goats. Small volume results in inefficiencies. Processing plants in Virginia reportedly require 250 to 400 animals per week in order to remain competitive in serving ethnic markets in the Washington, D.C. and New York areas. So, to sum up Florida's goat marketing problem, it is not a matter of too many goats, but too few! If the local market for live animals is saturated (or glutted), possible solutions include coordinating with other producers to (a) provide adequate numbers of animals of uniform quality to a cooperating processor to make processing more efficient, thus providing access to commercial meat marketing channels and (b) taking live animals to other areas of the state where larger numbers of potential buyers are located. Coordinating with other goat producers can help establish more consistent supplies at critter sales and possibly reduce transportation costs by putting together larger loads. Joining forces with other producers can also make promotional activities such as advertising of sales more affordable as well.

Figure 3 depicts a feasible marketing channel scenario for Florida. With producers' support, a marketing/processing coop could make the marketing of live animals through distant "critter sales" more efficient. A processing cooperative could also provide more efficient processing which could facilitate marketing more convenient product forms to Florida consumers. A cooperative venture with a high degree of commitment from its members could allow goat producers to develop largely untapped ethnic markets. Florida has a large, ethnically diverse population. Many of the ethnic groups present in Florida have a high degree of familiarity with goats and goat meat, which could enhance market development efforts. For example, the 1990 Census of Population showed that over 80,000 residents were of Arab ancestry, and about 106,000 were of Greek descent. Over 456,000 were of West Indian descent, and nearly 6 million were of Hispanic origin. Other significant numbers of residents were descended from Subsaharan Africans, Asian Indians, and Southeast Asians (Table 1). Many of these residents represent a marketing opportunity for Florida goat producers; furthermore, most are concentrated in a few major metropolitan areas, which would facilitate focused market development activities (U.S. Department of Commerce, 1990).

Summary and Conclusions

The Florida goat industry has made considerable progress with respect to goat husbandry over the past decade and much has been learned about marketing as well. However, Florida still lacks an adequate market infrastructure. Most Florida produced goats are sold on the hoof directly to consumers or to traders (dealers). Another limiting factor is the lack of commercial markets such as livestock auctions, although a relatively recent development is the growth of "critter sales", where goats, other small animals and poultry are sold in weekend flea-market type sales.

The most serious marketing impediment for Florida goat producers is the lack of processing facilities. Establishment of a cooperative marketing-processing facility and the assur-

ance of sufficient volume to make it economically viable would greatly expand the market potential for goat meat. While the establishment of a processing facility should be a top priority, a cooperative marketing association could also facilitate and coordinate sales of live animals as well.

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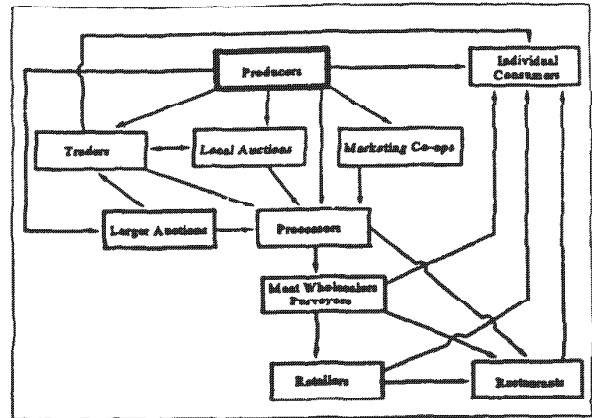


Figure 2. Typical marketing channels for meat animals.

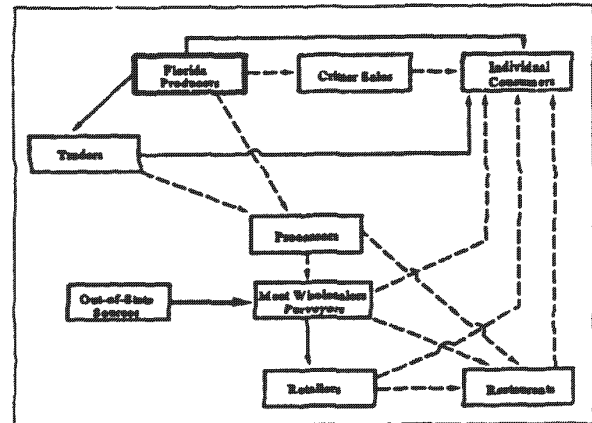


Figure 3. Florida's marketing channels for goats and goat meat.

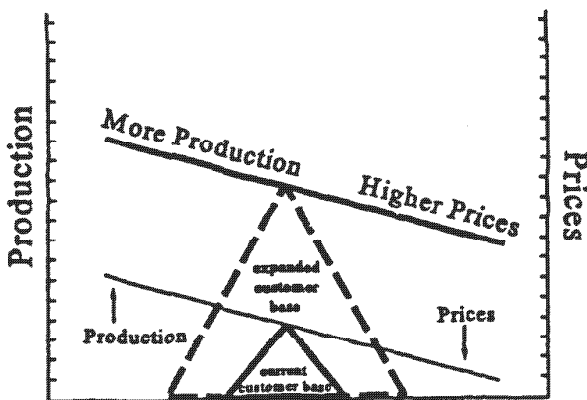


Figure 1. A schematic of market forces and the impact of an expanded customer base.